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SIPDIS

TREASURY FOR DEPUTY SECRETARY KIMMITT

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TAGS: [PGOV](#) [PREL](#) [EAID](#) [PREF](#) [IZ](#)
SUBJECT: TREASURY DEPUTY SECRETARY KIMMITT MEETS WITH SRSG
DE MISTURA

Classified By: EMIN - Marc Wall, Reason E.O. 12958 1.5 (b,d)

¶1. (SBU) Summary: On November 1, 2008, Treasury Deputy Secretary Robert Kimmitt, accompanied by Deputy Assistant Secretary Andrew Baukol and Treasury Attache Ged Smith, met with UN Secretary General Special Representative Staffan de Mistura and members of his team in the United Nations offices in Baghdad, Iraq. The UN is the de-facto leader of multi-lateral institutions' efforts inside Iraq, and it plans to expand its operations. De Mistura sought Kimmitt's assistance in pressing the UN budget committee to allocate funds for this purpose. De Mistura discussed ways to support the International Compact with Iraq (ICI) as well as the provincial elections process.

De Mistura summarizes UN engagement in Iraq

¶2. (SBU) D/S Kimmitt thanked de Mistura for the UN's ongoing engagement in Baghdad, noting that the UN is ahead of the IMF and World Bank in Iraq in terms of staff in country and scope of work. Kimmitt noted that he intended to discuss the situation with World Bank President Zoellick, and that the Bank may be more forward leaning about engagement in the coming months. De Mistura described some of the key activities that the UN is working on, including border issues with the KRG, minority rights, and the upcoming provincial elections. He has been working hard to prevent delays to the provincial elections, because forward movement on elections will have positive effects on moving ahead on other critical legislation, such as the hydrocarbons legislation and the Status of Forces Agreement. Regarding the World Bank, De Mistura noted that the Bank's new country manager in Baghdad is quite junior and that the Bank is trying to fill positions for Baghdad by volunteers for short-term postings.

¶3. (C) De Mistura noted that the UN's continued engagement is tied to the U.S. presence, as the UN depends on U.S. forces for security and logistical support. Hence, conclusion of the Status of Forces Agreement or approval of a new UN Security Council mandate is essential for continued UN engagement.

Status of the International Compact with Iraq

¶4. (SBU) D/S Kimmitt congratulated de Mistura for the signing of the United Nations Assistance Strategy for Iraq 2008 - 2010. He thanked de Mistura for the UN's steadfast support of the Compact process, and questioned him about Government of Iraq (GOI) commitment to the process. He noted that the ICI could provide an organizing structure and help Iraq engage with its neighbors on ICI pledges. De Mistura noted that some in the GOI view the Compact as just part of Iraq's foreign relations, not as an organizing principle for domestic policy. He argued that the Iraqi government needs to strengthen the role of the ICI Secretariat to persuade

Iraqi ministries to use the Compact. The Prime Minister holds the key to this task. De Mistura noted that PM Maliki is more serious about the Compact since the conference in Stockholm in May 2008. But, it is still difficult to get the rest of the GOI on board. De Mistura noted that the UN was now contributing two people to the Secretariat on a more or less full-time basis.

The UN's role in Iraq/Kuwait relations

15. (C) D/S Kimmitt described his conversations with Kuwaiti officials concerning their relations with Iraq. He encouraged De Mistura to work with the Iraqis to engage Kuwait, including on UN Compensation Commission claims and border issues. De Mistura described the UN's ongoing work with Iraq on border issues, noting that he has been urging Iraq to go the extra mile to respond to Kuwaiti requests to help build mutual confidence.

Winding down the UN Trust Fund (UNTF)

16. (C) De Mistura noted that the IRRFI was winding down, and noted the upcoming donors' meeting in Italy in mid-December. He indicated he wants to use the remaining funds in the UNTF to support Compact related activities. Resources in the UN Trust Fund had fallen to approximately \$90 million. For some time, the UN was receiving contributions to merit continued operations of the Trust Fund, with most of these coming from countries that did not

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participate in the military coalition or that were withdrawing from military activities. For example, de Mistura had high hopes for a contribution from Korea, but instead, Korea elected use funds for projects in the KRG. De Mistura indicated that the UN would use the \$90 million balance in the UN Trust Fund for work in three main areas cutting across the work of all the UN agencies in Iraq: decentralization, private sector development (restructuring state enterprises), and reform of the public distribution system.

Financing for New UN Headquarters in Baghdad

17. (C) De Mistura noted that the UN was moving forward to build its own compound in the International Zone, as they had been in temporary quarters since their original building was destroyed in the 2003 explosion that killed Sergio de Mello. He noted that there was a key discussion on November 4 by a UN Budget Committee in New York. De Mistura noted that a GOI contribution to this effort was key, and he had arranged a vote by PM Maliki's Council of Ministers to help set up the UN Budget Committee vote. De Mistura asked D/S Kimmitt if he could help marshal U.S. support for the initiative when it came before the UN Budget Committee. (Note: The GOI voted to provide approximately 25 percent of the estimated cost of a new compound as well as providing some of the land. D/S Kimmitt flagged this issue with U.N. Ambassador Khalilzad on November 3. End Note.)

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